

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THE SHAAR FUND, LTD.,

Plaintiff,

v.

ATSI COMMUNICATIONS, INC.,

Defendant.

(ecr)

No. 07 Civ. 6960 (LAK)

**STIPULATION AND ORDER
OF DISMISSAL**

----- x

WHEREAS, the parties have reached a settlement of this action and have
executed a Settlement Agreement dated December 10, 2007.

IT IS HEREBY STIPULATED AND AGREED by and between the undersigned
counsel for The Shaar Fund, Ltd. and ATSI Communications, Inc., pursuant to Fed. R. Civ. Pro.
41(a)(1) and (c), that:

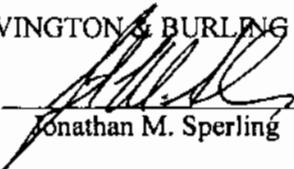
1. All claims, set-offs, or counterclaims that were asserted or could have been
asserted in this action by the parties or their attorneys shall be dismissed with prejudice;
2. All parties are to bear their own costs and attorneys' fees; and

USDS SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #: _____
DATE FILED: <u>12/20/07</u>

3. The Court shall retain jurisdiction over the matters dismissed solely to enforce the terms of the parties' Settlement Agreement relating to the dismissals with prejudice set forth herein.

Dated: December 14, 2007

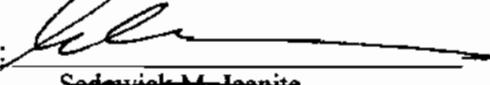
COVINGTON & BURLING LLP

By: 

Jonathan M. Sperling
620 Eighth Avenue
New York, New York 10018

Attorneys for Plaintiff
The Shaar Fund, Ltd.

WHITE AND WILLIAMS LLP

By: 

Sedgwick M. Jeanite
CALL S. KOERNER (0593)
One Penn Plaza, Suite 1801
New York, New York 10119

Attorneys for Defendant
ATSI Communications, Inc.

Based on the foregoing Stipulation of the Parties, IT IS HEREBY ORDERED
that:

I. All claims, set-offs, or counterclaims that were asserted or could have been asserted in this action by the parties or their attorneys are hereby dismissed with prejudice; and
2. The Court shall retain jurisdiction over the matters so dismissed solely to enforce the terms of the parties' Settlement Agreement relating to the dismissals with prejudice ordered herein.

SO ORDERED

By: 

UNITED STATES DISTRICT JUDGE

12/19/07